

***Delaware Health Resources Board
Post Acute Medical Review Committee Meeting Minutes
Monday, November 16, 2015 1:30 PM
Thomas Collins Building
Second Floor Conference Room
540 South DuPont Highway
Dover, Delaware***

Review Committee Members Present:

Gina Ward, Chair; Lynn Fahey; and David Hollen

Staff Present:

Marlyn Marvel; Joanna Suder; and Latoya Wright.

Call to Order and Welcome

The meeting of the Health Resources Board Review Committee for Post Acute Medical was called to order at 1:30 p.m. by Gina Ward, Review Committee Chair.

Opening Comments

Joanna Suder stated that the public hearing is scheduled for November 30, 2015 at 10:00 a.m. at the Delaware Technical and Community College Terry Campus Corporate Training Center in Rooms 400A & B.

Latoya Wright stated that the public notice was sent to the applicant, the parties who requested the hearing and the newspaper on Friday, November 13, 2015.

A second Review Committee meeting will be scheduled to discuss the testimony and comments presented at the public hearing. The full Board will make their decision at the December 17, 2015 meeting.

Ms. Suder stated that written comments for the public hearing are due in advance of the hearing. The date they are to be submitted by is in the public notice. No written comments will be accepted after that date.

Review of Post Acute Medical's Application

The Review Committee reviewed the application along with the Internal Staff Analysis.

Ms. Ward stated that the Internal Staff Analysis states that the new facility will accommodate maximum patient ambulation and recreation. It will provide private rooms and complementary ancillary charges. Ms. Ward asked for an explanation of complementary ancillary charges.

Latoya Wright stated that she will check to see if that came from the application or if it was a typographical error on her part. One of the guests stated that it is probably complementary services, versus complementary charges.

Ms. Ward stated that the applicant stated that they will admit patients of all ages. She asked if that includes children. Ms. Wright will ask if Nemours has inpatient rehabilitation facility beds. She will ask the applicant if they considered Nemours in their bed need calculation and if they plan to do an inpatient admission for children. She will ask the applicant to specify the age span of the patients they plan to admit.

Review Considerations

The Review Committee reviewed the following criteria for reviewing the proposal and requested the following information.

Criterion 1: The relationship of the proposal to the Health Resources Management Plan

Ms. Wright stated that the current Health Resources Management Plan does not include a methodology for Inpatient Rehabilitation Facility (IRF) beds.

Ms. Ward stated that the applicant has proposed a very thorough methodology. The Review Committee needs to determine if it meets the holistic picture of what is trying to be achieved in terms of resources in the Dover area.

Ms. Wright stated that serving the medically indigent population is important to the Health Resources Management Plan as well.

Ms. Ward stated that the proposal creates a whole center of care in one facility. There is a clear relationship with the Health Resources Management Plan.

Ms. Wright will ask the applicant to provide more clarity on whether they will have ventilator services for those who are on ventilators.

Ms. Ward stated that, rather than just being an inpatient facility, the applicant is also willing to provide continuity of care to the outpatient in addition to the inpatient so people can be seen by the same caretakers.

Criterion II: The need of the population for the proposed project

Ms. Wright stated that the applicant asserts to the need for additional IRF beds in Kent County due to the growing population in Kent County. They provided the need methodology that they adopted to determine the population over the next five years and justify the need for an additional IRF facility in Kent County. Currently there is no IRF facility in Kent County. Patients are required to go to Bayhealth Milford, which is on the Sussex line, or HealthSouth in Middletown, which is in New Castle County.

The methodology revealed that there are 75 IRF beds in New Castle, zero in Kent and 37 in Sussex for a total of 112 IRF beds in Delaware. They determined that Delaware will have a deficit of 69 IRF beds by 2020.

Because of Kent County not having IRF beds other alternatives would be patients commuting to Christiana Care and Health South in New Castle, or going south to Bayhealth Milford. The other alternative would be a skilled nursing facility (SNF) which is on a different cost of care and different level of care for these services.

Ms. Ward stated that she thought the application included a good explanation as to why a SNF for this type of patient could use this intensive care with overall a shorter stay and much more intensive therapy per day. That makes a lot of sense and it sounds like that is what is happening. People who currently need this care are either going to a SNF, which may not be the most appropriate facility, or they have to travel. In reviewing the methodology it appears that Delaware's SNFs are at capacity.

Ms. Wright stated that she will research that.

Ms. Ward stated that the applicant uses the regional use rate, which is much lower than the national rate. She requested that Dr. Shevock be asked to look at the methodology and make sure there is not anything that the Review Committee may have missed.

Latoya stated that Dr. Shevock is currently working on the methodology for the utilization rates for skilled nursing facilities. She will ask her to review the methodology that Post Acute Medical uses and confirm the methodology for bed needs.

Criterion III: The availability of less costly and/or more effective alternatives to the proposal, including alternatives involving the use of resources located outside the state of Delaware.

Ms. Wright stated that, as alternatives, the applicant listed the other facilities which would not be feasible for patients in Dover or patients required to go into skilled nursing facilities. They do not believe that would be the proper alternative for post acute care.

Ms. Ward asked what percentage of Medicare and Medicaid patients are anticipated by Post Acute Medical. Ms. Wright stated that they anticipate 60 percent Medicare patients and 4.5 percent Medicaid patients.

Criterion IV: The relationship of the proposal to the existing health care delivery system.

Ms. Wright stated that Post Acute Medical states that the only hospital in the proposed service area is Bayhealth Kent General Hospital. The staff has confirmed that Kent General does not have an IRF. It states in the application that currently most Kent General IRF referrals are admitted to Bayhealth Milford which is a 30 minute commute. The staff will verify this information.

The staff will research why Bayhealth Kent General Hospital does not offer IRF services while Bayhealth Milford does and ask them for an update on their contacts with other providers.

Criterion V: The immediate and long term viability of the proposal in terms of the applicant's access to financial, management and other necessary resources.

Ms. Ward stated that Criterion V is well supported by the attached schedules. They operate eight IRFs at other locations. They have learned the local marketplace and how to make it work, so she is confident that they can do that in Delaware as well.

There will be building and equipment costs. Ms. Ward asked if the applicant has talked to any builders yet. Dave Hollen stated that he hopes they are considering the local labor market. Ms. Wright stated that she will ask the applicant if they will be using local builders and who they have considered.

Mr. Hollen stated that the application states that they are going to reach out to and welcome area schools. He asked if they have specifically reached out to any of the local colleges. Ms. Ward stated that she thinks have contacted Wesley College, Delaware Technical and Community College, Delaware State University and have reached out to the University of Delaware. Ms. Wright will confirm that.

Criterion VI: The anticipated effect of the proposal on the costs of and charges for health care.

Ms. Wright stated that the applicant states that Medicare will be the primary payer in the facility. In the second year of operation, the facility expects to receive \$467,559 in net revenue from Delaware Medicaid MCOs. Ms. Wright was able to verify that the cost of care is lower for a freestanding facility than it would be for a hospital based inpatient rehab facility.

Ms. Ward stated that the application states the project will generate approximately \$10.5 million in Medicare and \$468,000 in Medicaid in the second operating year resulting in new revenue for Delaware. She asked how that is new revenue for Delaware. Ms. Wright will research that and ask for clarification.

Ms. Wright will ask the applicant to clarify how they are defining underinsured and uncollectible copayments and deductibles.

Criterion VII: The anticipated effect of the proposal on the quality of health care.

Ms. Ward asked if the applicant stated that they specifically were going to get the Joint Commission on Accreditation for this facility for both brain and stroke. It will probably take some time to get accredited.

Next Steps

Joanna Suder stated that the next step will be for Ms. Wright to present the Review Committee's questions to the applicant. The public hearing will be held on November 30, 2015. A second Review Committee meeting will be scheduled following the public hearing. Ms. Wright will prepare the final report, including the public testimony from the public hearing, which will be presented to the Health Resources Board at the December 17, 2015 meeting.

Adjourn

The meeting adjourned at 3:10 p.m.

Guests Attending

Elizabeth Fenton
Kim Gones
Bobbi Hicks
Will Holding
Rebecca Kidner
Daniel Krieger
Larry Kuczma
Anthony Misitano
Wendie Stable
Rob Tribeck
John Van Gorp

Saul Ewing
Byrd Group
Post Acute Medical
PDA, Inc.
RB Kidner, PA
Presbyterian Senior Living
Westminster Village
Post Acute Medical
Saul Ewing
Post Acute Medical
Bayhealth